



CENTRALE BANK VAN ARUBA

**Summary of the monthly bulletin of the Centrale Bank van Aruba  
for September 2005\***

November 7, 2005

In September 2005, money supply contracted by Afl. 28.8 million or 1.2 percent to Afl. 2,438.8 million. This decline was the result of an Afl. 68.7 million outflow of funds to abroad, which was partly offset by an Afl. 39.9 million increase of net domestic assets. The former was caused by the import of consumer goods, the payment of dividends to abroad, and the repayments on long-term private sector debt. Consequently, net foreign assets fell to Afl. 658 million at the end of September 2005, which is Afl. 22.7 million or 3.3 percent lower than the corresponding period a year earlier.

The increase of net domestic assets was caused largely by an Afl. 24.4 million rise in non-credit-related balance sheet items, due to clearing transactions. In addition, banking sector claims on the private sector grew by Afl. 20.8 million compared to the previous month. Consumer credit rose sharply by Afl. 13.4 million (2.7 percent), resulting from new car loans extended. Furthermore, housing mortgages and loans to enterprises increased by Afl. 6 million (0.9 percent) and Afl. 2.6 million (0.3 percent), respectively. Net claims of the banking sector on the government, on the other hand, decreased by Afl. 5.3 million, mainly associated with an Afl. 7 million rise in government deposits.

Changes in the money supply in September 2005:

	<u>In Afl. million</u>
1. Net foreign assets	- 68.7
2. Net domestic assets	+ 39.9
a. Net claims on the public sector	- 5.3
b. Loans to enterprises	+ 2.6
c. Consumer credit	+ 13.4
d. Housing mortgages	+ 6.0
e. Other claims by the banking sector	- 1.2
f. Non-credit-related balance sheet items	+ 24.4
3. Net change in money supply	- 28.8

( "+"=increase / "-"=decrease)

The Aruba Tourism Authority has not yet published information on stay-over visitors and their nights spent for July, August, and September 2005. Data on the average occupancy rate of the hotels for September 2005 show a decrease of 6.2 percentage points to 69.3 percent, compared to the corresponding period a year earlier. In September 2005, cruise

\* The publications of the Centrale Bank van Aruba are also available on its website [www.cbaruba.org](http://www.cbaruba.org).

passenger arrivals fell by 35.4 percent, despite a 16.7 percent increase in the number of ship calls.

The consumer price index for September 2005 was 3.7 percent higher than the corresponding month a year earlier. The annual average inflation rate accelerated further to 3.2 percent in September 2005, up from 2.3 percent a year earlier. This rate is 0.1 percentage point lower than the annual average inflation rate of 3.3 percent for the United States.